

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS**

**October 20, 2004 - 12:00 P.M.**

**8<sup>th</sup> & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Esther Corpus, Hattie Hamlin, the Honorable Jody Wagner, Jane-Scott Cantus, Jeff Jones, and Pallabi Saboo.  
Others present: Mike Eisenman, Scott Parsons, Bob Young, Rob Sievers, Mark Heede, Barbara Carter, Anna Mackley Cobb, and Carlos Brown.

The meeting was called to order by Vice Chairman Hattie Hamlin. Scott Parsons informed the Board members of conflict of interest training available for the members.

- II. Approval of Minutes - On a motion by Jody Wagner, seconded by Esther Corpus, the minutes of the September 15, 2004 Board of Directors - Loan Business Meeting were unanimously approved.

- III. Conflict of Interest Training - Scott Parsons informed the Board that mandatory conflict of interest training for board members would be held on November 17, 2004 at 2:00 p.m. and December 13, 2004 at the Department of Business Assistance's offices in Richmond. Board members are encouraged to sign up for a time and date with Mr. Parsons.

- IV. 501 c 3 Bond Program Application

- A. Shenandoah University - City of Winchester - \$2,200,000 501 c 3 Bond. Anna Mackley Cobb reviewed for the Board this application for 501 c 3 bonds to refund balance of bond issue originally issued in 1994.

## **V. PUBLIC HEARING**

- A. Shenandoah University - City of Winchester - \$2,200,000 501 c 3 Bond. On a motion by Jody Wagner, seconded by Esther Corpus, the Board of Directors unanimously adopted an inducement resolution authorizing the issuance of 501 c 3 bonds to refund the balance of a 1994 bond issue.

- VI. Consideration to Raise the Housing Allocation Limit on Private Activity Bonds - Scott Parsons informed the Board of a recent request to increase the limit of the housing allocation from \$10MM to \$25MM to meet the needs of authorities with larger housing projects. Discussion of the increase in limit ensued. On a motion by Pallabi Saboo, seconded by Esther Corpus, the Board of Directors unanimously approved an increase in the housing allocation limit to \$25MM on October 1<sup>st</sup> of each year and to notify others who have already received allocation.
- VII. Loan Guaranty Application
- A. Dominion Packaging, Inc. - City of Richmond - \$500,000. Anna Mackley Cobb presented this loan request to the Board. On a motion by Esther Corpus, seconded by Jeff Jones, the Board of Directors approved a 75% guaranty (\$500,000 maximum) on a \$750,000 revolving line of credit to be extended by First Market Bank.
- VIII. Monthly Report to the Board on Loan Volume and Fiscal Year Status - Scott Parsons reviewed for the Board the monthly loan activity report as of August 2004. Mr. Parsons noted the status of the uncommitted funds for the Economic Development Loan Fund (EDLF); the increase in funds of the Virginia Capital Access Program (VCAP); the number of additional banks signed up to participate in the Tobacco Capital Access Program (TCAP); and the lack of funds in the Environmental Compliance Assistance Fund (ECAAF).
- IX. Review of Credit Guidelines - Scott Parsons briefly reviewed the credit guidelines noting how the loan programs evolved, the purpose of the guidelines and the credit process. The guidelines were then briefly discussed by the Board. Scott Parsons agreed to share credit underwriting training materials with those board members who desired such material and to have members sit with staff when staff is underwriting deals to assist board members in gaining a better understanding of the credit decision process.
- X. CLOSED SESSION - On a motion by Jody Wagner, seconded by Pallabi Saboo, the Board voted unanimously to convene a closed meeting pursuant to §2.2-3711(A)(30) of the Code of Virginia in order to discuss the procurement of financial advisors. On a motion by Bob Young (on behalf of Jody Wagner), seconded by Esther Corpus, the Board voted unanimously to reconvene an open meeting having certified that the matters discussed in the preceding closed session met the requirements of §2.2-3712 of the Code. Roll call: Voting Aye: Hamlin, Saboo, Young, Cantus, Jones, Corpus. Voting Nay: None.

- XI. Selection of a Financial Advisor to the VSBFA - On a motion by Bob Young, seconded by Esther Corpus, the Board voted unanimously to select the firm of Kaufman & Canoles Consulting as VSBFA's financial advisor as the result of an RFP. (Ms. Wagner was not present for the vote.)
  
- XII. The meeting was adjourned.